

Message Text

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SUBJECT: WASHINGTON POST ARTICLE ON KRSKO

1. FOLLOWING IS THE TEXT OF AN ARTICLE BY THOMAS O'TOOLE,
ENTITLED "PARTS FOR YUGOSLAV NUCLEAR REACTOR STALLED BY
U.S. EXPORT POLICY SHIFT", WHICH APPEARED IN THE MARCH
16 WASHINGTON POST:

BEGIN TEXT

--- THE UNITED STATES AND YUGOSLAVIA ARE IN A SERIOUS
SQUABBLE OVER A NUCLEAR EXPORT LICENSE THAT BELGRADE
CLAIMS HAS BEEN HELD UP FOR ALMOST SIX MONTHS BECAUSE
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WASHINGTON WANTS TO CHANGE ITS NUCLEAR EXPORT POLICY.

--- THE EXPORT LICENSE INVOLVES \$176 MILLION WORTH OF
EQUIPMENT BEING MADE IN THE UNITED STATES FOR A NUCLEAR
ELECTRIC PLANT BEING BUILT AT KRSKO IN WESTERN YUGO-
SLAVIA. A LOAN FOR THE EQUIPMENT WAS ARRANGED WITH
STATE DEPARTMENT PERMISSION ALMOST TWO YEARS AGO BY THE

U.S. EXPORT-IMPORT BANK. ALMOST \$20 MILLION WORTH OF THESE COMPONENTS ARE READY FOR SHIPMENT, BUT AN EXPORT LICENSE HAS NOT BEEN GRANTED BY THE NUCLEAR REGULATORY COMMISSION TO THE COMPANIES THAT BUILT THEM.

--- THE HUGE STAINLESS STEEL PRESSURE VESSEL THAT WILL ENCLOSE THE URANIUM FUEL ASSEMBLY IS WAITING AT THE DOCKS AT CHARLESTON, S.C. IT WAS BUILT BY COMBUSTION ENGINEERING CO., AT CHATTANOOGA, TENN.

--- GENERATORS BUILT BY WESTINGHOUSE ELECTRIC CORP. TO FILTER RADIOACTIVE STEAM MOVING FROM THE NUCLEAR CORE TO THE ELECTRIC TURBINES ARE READY IN TAMPA FOR SHIPMENT TO CHARLESTON, WHERE THEY WILL BE BOOKED FOR PASSAGE TO YUGOSLAVIA.

--- AT LEAST TWO TALKS HAVE BEEN HELD BETWEEN REPRESENTATIVES OF THE YUGOSLAV GOVERNMENT AND THE STATE DEPARTMENT TO CLEAR THE SHIPPING HURDLES FOR THESE COMPONENTS, BUT TO NO AVAIL. THE FIRST SHIPMENT HAS BEEN HELD UP AS LONG AS SIX MONTHS, THE SECOND ONE FOR AT LEAST TWO MONTHS.

--- SOURCES SAID WASHINGTON NOW INSISTS THAT YUGOSLAVIA SHIP THE SPENT URANIUM FUEL FROM THE PLANT FOR RE-PROCESSING IN THE UNITED STATES, WHERE THE PLUTONIUM WOULD BE REMOVED. THE UNITED STATES IS ALSO INSISTING ON A CLAUSE IN THE AGREEMENT TO PREVENT TRANSFER OF ANY URANIUM FROM YUGOSLAVIA TO A THIRD COUNTRY.
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--- WHEN THE STATE DEPARTMENT AGREED TO PROVIDE MONEY AND COMPONENTS FOR THE KRSKO NUCLEAR PLANT TWO YEARS AGO, IT DID NOT INSIST ON THESE TWO CONDITIONS. THE KRSKO PLANT IS ONE OF THREE U.S.-AIDED FOREIGN NUCLEAR PLANTS BEING BUILT WITHOUT U.S. VETO RIGHTS OVER FUEL REPROCESSING AND RETRANSFER OF FUEL.

--- SOURCES SAID THE YUGOSLAVS ARE RELUCTANT TO CHANGE THE ORIGINAL AGREEMENT BECAUSE THEY RESENT HOLDING THE EXPORT LICENSE HOSTAGE TO THE CHANGE AND BECAUSE THEY RESENT THE SUGGESTION THAT YUGOSLAVIA CANNOT BE TRUSTED WITH SENSITIVE NUCLEAR MATERIALS.

--- "YUGOSLAVIA WAS ONE OF THE FIRST COUNTRIES TO SIGN THE NON-PROLIFERATION TREATY (PROHIBITING THE SPREAD OF NUCLEAR WEAPONS) AND THEY DID IT BECAUSE WE ASKED THEM TO DO IT," ONE SOURCE SAID. "THEY ARE SUPER-SENSITIVE TO THIS WHOLE ISSUE OF ATOMIC WEAPONS

SPREAD."

--- WHATEVER THE REASONS, YUGOSLAVIA HAS TOLD THE
STATE DEPARTMENT THAT IT STANDS TO LOSE, STARTING IN

APRIL, 1979, AS MUCH AS \$20 MILLION EACH MONTH THE
SHIPMENTS ARE DELAYED. MOST OF THIS IS MONEY IT WOULD
HAVE TO SPEND FOR IMPORTED OIL TO MAKE ELECTRICITY
WHILE THE NUCLEAR PLANT IS HELD UP.

--- SOURCES HAVE ALSO QUOTED BELGRADE AS SAYING IF
THE PRESSURE VESSEL IS NOT SHIPPED BY APRIL 1 AND THE
STEAM GENERATORS BY MAY 1, COMPLETION OF THE KRSKO
PLANT MIGHT BE DELAYED AS MUCH AS ONE YEAR. THE REASON
IS THAT BOTH COMPONENTS ARE SO BIG THEY MUST BE CARRIED
ON HUGE TRAILERS THROUGH MOUNTAIN PASSES THIS SUMMER
BEFORE SNOW STARTS TO FALL.
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--- THE STATE DEPARTMENT AND NUCLEAR REGULATORY COM-
MISSION REFUSED TO COMMENT ON THE EXPORT LICENSE
DELAYS. ONE SOURCE SAID THE HOLDUP CAME FROM THE WHITE
HOUSE, WHERE A NEW NUCLEAR EXPORT POLICY IS BEING
FORMULATED. END TEXT.
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